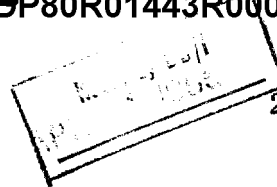


~~SECRET~~



20 April 1955

NSC BRIEFING

THE SITUATION IN SAIGON

- I. Armed outbreaks in Saigon on 19 April are largest since initial Binh Xuyen clash with National Army three weeks ago.
  - A. Ten Vietnamese soldiers wounded at Army HQ by gunfire from nearby Binh Xuyen strongpoint.
  - B. Later, hand grenades and machine-gun<sup>x</sup>fire directed by passing truck at Majestic Hotel (Saigon's finest),  
25X1C8b  
injuring one Frenchman.
  - C. [REDACTED] French troops will restore order if European quarter threatened.
    1. French now have responsibility for this sector but heightened emergency would give them excuse to clamp down tighter on city as a whole.
  - D. Anti-French sentiment apparently rising.
    1. Local French UP correspondent, who has consistently filed distorted, anti-government copy, reportedly beaten up by Saigon police (now under Diem's control).
- II. Increasing evidence of French collusion with Binh Xuyen.
  - A. US official notes French Army captain apparently on full-time assignment in Binh Xuyen HQ.

~~SECRET~~

B. Colonel Savani, French military intelligence expert on sects, is occupying obviously influential position in Binh Xuyen HQ.

C. In same connection, Premier Diem has reported to Ely that the French have demanded that certain Vietnamese fortifications in the city be dismantled, but have ignored establishment of Binh Xuyen stronghold half a mile away.

III. Meanwhile, Diem making no progress toward formation stable government.

A. Planning Minister (and premiership hopeful) Thoai has joined list of many cabinet ministers who have submitted resignations.

1. Since mid-March, 12 of a total 21 ministers have tendered resignations.

2. Several of these were ministers in name only.

3. Aside from the sect representatives, only one minister (Minh -- Defense) has been definitely dropped from the cabinet.

B. Diem concedes inability to attract "worthy" Vietnamese to his government.

1. He feels this goal unattainable until sects made to acknowledge government's supreme authority.

C. Current plan -- formation of some sort of national assembly to be foundation of definitive, authoritative government.

~~SECRET~~

Approved For Release 2000/08/30 : CIA-RDP80R01443R000300310006-0

1. French oppose this course; want immediate "basic reorganization."
2. French goal undefined, but various proposals suggest it would involve dilution of nationalist government by addition of Francophile opportunists on whom they can rely.

Approved For Release 2000/08/30 : CIA-RDP80R01443R000300310006-0

~~SECRET~~